



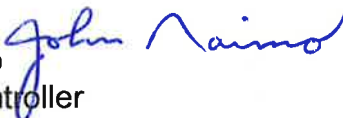
JOHN NAIMO
AUDITOR-CONTROLLER

**COUNTY OF LOS ANGELES
DEPARTMENT OF AUDITOR-CONTROLLER**

KENNETH HAHN HALL OF ADMINISTRATION
500 WEST TEMPLE STREET, ROOM 525
LOS ANGELES, CALIFORNIA 90012-3873
PHONE: (213) 974-8301 FAX: (213) 626-5427

May 11, 2015

TO: Supervisor Michael D. Antonovich, Mayor
Supervisor Hilda L. Solis
Supervisor Mark Ridley-Thomas
Supervisor Sheila Kuehl
Supervisor Don Knabe

FROM: John Naimo 
Auditor-Controller

SUBJECT: **REGIONAL PARK AND OPEN SPACE DISTRICT PROPOSITION A
GRANT AUDITS**

The Los Angeles County Regional Park and Open Space District (District) was created by Proposition A (formally called the Los Angeles County Safe Neighborhood Parks Act) in 1992. The District is authorized to levy benefit assessments and make grants to agencies to preserve beaches, parks, and wildlife; to construct, renovate, and improve new and existing recreational facilities; and to restore rivers, streams, and trails. The District also provides funding to agencies to offset cost increases associated with maintaining and servicing grant funded projects. The District is governed by your Board and administered by the Department of Parks and Recreation.

At the District's request, we contracted with a Certified Public Accounting firm, Simpson & Simpson CPAs (Simpson), to audit 22 Proposition A grant projects totaling approximately \$13.7 million, and maintenance and servicing expenditures for one grantee (City of La Habra Heights), totaling approximately \$146,000. The purpose of the audits was to verify that the recipients used and accounted for the funds in accordance with applicable guidelines.

Review Summary

Simpson reported that for seven of the 22 projects, grantees did not maintain adequate documentation to support project costs claimed, resulting in questioned costs totaling \$1.7 million, including approximately \$1.1 million in questioned costs relating to the Department of Parks and Recreation. The following chart lists by project and by grantee the Proposition A grants with questioned costs.

Proposition A Grants with Questioned Costs by Project and Grantee

Project / Grantee	Grant Amount	Questioned Costs
County of Los Angeles - Department of Parks and Recreation / Friendship Park General Development	\$4,213,933	\$882,280
City of La Habra Heights / Hacienda Park Improvements	\$688,522	\$582,144
County of Los Angeles - Department of Parks and Recreation / Athens and Keller Parks - Various Improvements	\$750,000	\$155,450
County of Los Angeles - Department of Parks and Recreation / Mayberry, Sorensen, and Sunshine	\$850,000	\$56,343
County of Los Angeles - Arts Commission / John Anson Ford Theatre General Improvement II	\$54,080	\$51,945
City of Los Angeles / Downey Recreation Center, Child Care Center - Urban Impact Parks	\$300,000	\$22,490
Mountains Restoration Trust / Calabasas/Cold Creek Trail Acquisition	\$147,100	\$7,553
TOTAL	\$7,003,635	\$1,758,205

Simpson also reported that adequate documentation was not maintained to support maintenance and servicing expenses claimed by the City of La Habra Heights for the Hacienda Park Improvements project, resulting in questioned costs totaling \$86,057.

Attachment I summarizes all grants and related maintenance and servicing expenditures that were audited. Simpson noted no other instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

Review of Report

Simpson provided copies of each report to the District, and the District provided each grantee a copy of their report. The District's response (Attachment II) indicates they required grantees to provide them with documentation to support the questioned grant and maintenance and servicing costs, respectively. The District's response also indicates that they received sufficient documentation from the grantees to support \$1.6 million in questioned grant costs, and \$86,057 of questioned maintenance and servicing costs. The District determined that two grantees must repay a combined total of \$131,510.

Due to the large number of reports, copies are not enclosed, but are available for your review. If you have questions please call me, or your staff may call Robert Smythe at (213) 253-0100.

JN:AB:RS:MP

Attachments

c: Sachi A. Hamai, Interim Chief Executive Officer
Russ Guiney, Director, Department of Parks and Recreation
Jane Beesley, Administrator, Regional Park and Open Space District
Public Information Office
Audit Committee

**REGIONAL PARK AND OPEN SPACE DISTRICT
PROPOSITION A GRANT AUDITS**

	Grantee	Project	Grant Number	District	Grant Amount	Questioned Costs (1)
1	City of Huntington Park	Salt Lake Park Playground Improvement Project	58E1-09-2204	1st	\$200,000	
2	County of Los Angeles - Department of Parks and Recreation	Various First District Parks - Mayberry, Sorensen, and Sunshine	0320-00-1169	1st	\$850,000	\$56,343
3	City of Los Angeles	Downey Recreation Center, Acquisition Project - Urban Impact Parks	58F6-94-0220	1st	\$695,000	
4	City of Los Angeles	Downey Recreation Center, Child Care Center - Urban Impact Parks	58F6-98-0726	1st	\$300,000	\$22,490
5	Mountains Recreation and Conservation Authority	Los Angeles River Parkway	58A1-95-0266	1st	\$485,269	
6	City of Culver City	Culver City Skate Park Development	58C6-08-2178	2nd	\$50,000	
7	City of Hawthorne	Holly Park Rehabilitation	58D7-09-2214	2nd	\$273,600	
8	County of Los Angeles - Department of Parks and Recreation	Athens and Keller Parks - Various Improvements	0330-99-0780	2nd	\$750,000	\$155,450
9	City of Lawndale	William Green Park - Recreation Building	58F3-09-2206	2nd	\$100,000	
10	Los Angeles Conservation Corps	Kenneth Hahn State Recreation Area Trails Improvements Project	58M1-07-2093	2nd	\$379,183	
11	County of Los Angeles - Arts Commission	John Anson Ford Theatre General Improvement II	P273-03-1335	3rd	\$54,080	\$51,945
12	City of Los Angeles	Brand Park Community Center	58F6-99-1132	3rd	\$500,000	
13	Mountains Recreation and Conservation Authority	Coastal Slope Trail Acquisition	58L2-10-2239	3rd	\$500,000	
14	Mountains Restoration Trust	Calabasas/Cold Creek Trail Acquisition	58M1-10-2224	3rd	\$147,100	\$7,553
15	City of Diamond Bar	Silvertip Mini Park	58C7-12-2263	4th	\$150,000	
16	County of Los Angeles - Department of Parks and Recreation	Friendship Park General Development	1110-94-0154	4th	\$4,213,933	\$882,280
17	City of La Habra Heights	Hacienda Park Improvements	58E6-94-0176	4th	\$688,522	\$582,144

**REGIONAL PARK AND OPEN SPACE DISTRICT
PROPOSITION A GRANT AUDITS**

	Grantee	Project	Grant Number	District	Grant Amount	Questioned Costs
18	City of Glendale	Adult Recreation Center Development	58D4-03-1324	5th	\$2,100,000	
19	City of Monrovia	Library Park Play Equipment	58G3-09-2207	5th	\$350,000	
20	Mountains Recreation and Conservation Authority	Pico "Bakery" Canyon Waterfall Loop Trail Project	58L2-07-2114	5th	\$124,845	
21	City of Pasadena	Annandale Canyon Acquisition	58H1-09-2203	5th	\$500,000	
22	City of Santa Clarita	Placerita Canyon Open Space Acquisition	58J4-09-0890	5th	\$250,000	

Total **\$13,661,532** **\$1,758,205**

MAINTENANCE AND SERVICING EXPENDITURES

	Grantee	Project	District	Maintenance and Servicing Amount	Questioned Costs (1)
1	City of La Habra Heights	Hacienda Park Improvements	4th	\$145,578	\$86,057


(1) Simpson questioned these costs due to lack of documentation.



LOS ANGELES COUNTY REGIONAL PARK AND OPEN SPACE DISTRICT

April 30, 2015

TO: John Naimo
Auditor-Controller

FROM: Russ Guiney 
Director, Regional Park and Open Space District

SUBJECT: **REGIONAL PARK AND OPEN SPACE DISTRICT PROPOSITION A
GRANT AUDITS (WORK ORDERS 8-12A)**

Under the above audit work order, the contracted Certified Public Accounting firm, Simpson and Simpson (Auditors), reviewed grantees' financial records for 22 Regional Park and Open Space District (RPOSD) grants totaling \$13,661,532 in funding. The Auditors asserted that seven grantees did not maintain adequate documentation to support their project costs for seven of the 22 grant projects. As a result, the Auditors questioned project costs totaling \$1,758,205 (13% of the total audited amount), and Servicing Expenditures totaling \$86,057. Subsequently, on January 28, 2015, RPOSD mailed letters to each of the impacted grantees notifying them of the questioned costs and requiring written responses within 30 days to include documentation supporting the questioned costs.

RPOSD received and reviewed the grantees' responses, and with the exception of two grantees all included documentation sufficient to support the questioned costs. The remaining two grantees are required to reimburse RPOSD in the combined amount of \$131,510. On April 29, 2015, RPOSD mailed letters for each of the questioned costs grants informing the grantees of RPOSD's final determination (Attachment).

The Agreement prescribes that grantees are required to maintain their records for audit purposes for five years from the date of project completion. Although some of the project costs were incurred over 10 years before the audit process began, grantees were able to justify and provide supporting documentation for the majority of questioned costs.

John Naimo
April 30, 2015
Page 2 of 3

The following chart lists by project and by grantee the Proposition A grants with questioned costs:

Proposition A Grants With Questioned Costs by Project and Grantee

Project / Grantee	Grant Amount	Questioned Costs	Supported Costs	Reimbursement
County of Los Angeles - Department of Parks and Recreation - Friendship Park General Development	\$4,213,933	\$882,280	\$752,113.50	\$130,166.50
City of La Habra Heights / Hacienda Park Improvements	\$688,522	\$582,144	\$582,144	
County of Los Angeles - Department of Parks and Recreation / Athens and Keller Parks - Various Improvements	\$750,000	\$155,450	\$155,450	
County of Los Angeles - Department of Parks and Recreation / Mayberry, Sorensen, and Sunshine	\$850,000	\$56,343	\$56,343	
County of Los Angeles - Arts Commission / John Anson Ford Theatres General Improvement II	\$54,080	\$51,945	\$51,945	
City of Los Angeles / Downey Recreation Center, Child Care Center - Urban Impact Parks	\$300,000	\$22,490	\$22,490	
Mountains Restoration Trust / Calabasas/Cold Creek Trail Acquisition	\$147,100	\$7,553	\$6,209.55	\$1,343.45
TOTAL	\$7,003,635	\$1,758,205	\$1,626,695	\$131,510

Maintenance and Servicing With Questioned Costs by Project and Grantee

Project / Grantee	Questioned Costs	Supported Costs	Reimbursement
City of La Habra Heights – Hacienda Park	\$86,057	\$86,057	

The District has taken the following steps to improve its grantee audit process: 1) aligned its audit procedures with the terms of the Grant Agreement by determining a grant's audit eligibility based on the date of project completion; and 2) once grants have been closed, grantees have been sent a letter reminding them of grant record retention requirements and including a list of their audit-eligible grants. Furthermore, the District will be conducting periodic reviews of grantees' project files to ensure record retention compliance.

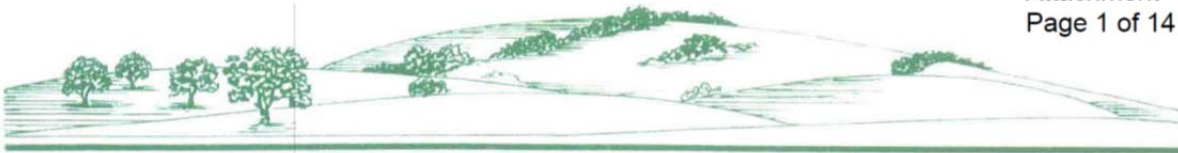
John Naimo
April 30, 2015
Page 3 of 3

If you have any questions, please contact Jane I. Beesley, District Administrator, at (213) 738-2981.

Attachment

RG:JB:WO:mt

- c: Chief Executive Office (S. Hamai)
- Executive Office of the Board of Supervisors (P. Ogawa)
- Parks and Recreation (J. Wicker, R. Maycumber, H. Sohm)
- Regional Park and Open Space District (J. I. Beesley)



LOS ANGELES COUNTY REGIONAL PARK AND OPEN SPACE DISTRICT

April 29, 2015

Mr. Robert Maycumber, Administrative Deputy
Department of Parks and Recreation
County of Los Angeles
433 S Vermont Avenue
Los Angeles, CA 90020

Dear Mr. Maycumber:

RESPONSE TO GRANT AUDIT FINDINGS AND FINAL DETERMINATION OF QUESTIONED COSTS \$130,166.50 DISALLOWANCE AMOUNT

Friendship Park General Development Grant No. 1110-94-0154

The Los Angeles County Regional Park and Open Space District's (District) is in receipt of the Response to the Notice of Grant Audit Findings, dated February 26, 2015, and Response to Notice of Grant Audit Findings, dated April 22, 2015, from the County of Los Angeles Department of Parks and Recreation (Grantee). The audit of Grantee records for the above-mentioned grant project (Project) resulted in certain financial transactions, totaling **\$882,280** being questioned by the audit firm, Simpson & Simpson (Auditors) as detailed below:

Friendship Park General Development: Source documentation for 83 payment requests, Source documentation for salaries and the overhead rates, and documentation for the unapproved playground equipment. The total grant amount was \$4,213,933.

The District has reviewed the Grantee's responses and determined the following:

- Although the Auditors questioned costs of \$44,030 for playground equipment that was not listed in the project description, the issue was resolved based on an executed Amendment provided by the Grantee which added the playground to the Project Agreement.

Mr. Maycumber
April 29, 2015
Page 2 of 2


- Documentation and/or justification was provided for a total of 49 payments and source documentation for salaries and overhead rates were also provided.
- However, the Grantee failed to provide the Auditors and the District with source documentation and/or justification for 34 payments.

As a result, the District has concluded that a total of **\$130,166.50** in questioned costs were not verified and must be refunded to the District.

Section I. Financial Records, #3 of the Agreement prescribes that "if said audit reveals expenditures that cannot be verified or that were paid in violation of the terms of this Agreement, the Propositions or the Procedural Guide, Applicant shall pay the District an amount equal to these expenditures within sixty (60) days after receiving written notification of the expenditures disallowed and the reason for the disallowance." Therefore, payment is due by no later than **June 29, 2015**. "Failure to repay the District in full for the amount of excepted expenditures, the District may offset an amount equal to the excepted expenditures from any monies that may be due to the Grantee under the terms and conditions of the Propositions."

Please contact Warren Ontiveros, at (213) 738-3005 or at wontiveros@parks.lacounty.gov if you have any questions.

Sincerely,



Jane I. Beesley
District Administrator

JB:WO:mt

Enclosures

c: Russ Guiney, Department of Parks and Recreation
John Wicker, Chief Deputy
Teresa Villegas, First District Deputy
Karly Katona, Second District Deputy
Maria Chong-Castillo, Third District Deputy
Erin Stibal, Fourth District Deputy
Sussy Nemer, Fifth District Deputy



LOS ANGELES COUNTY REGIONAL PARK AND OPEN SPACE DISTRICT

April 29, 2015

Ms. Shauna Clark, City Manager
City of La Habra Heights
1245 North Hacienda Road
La Habra Heights, CA 90631

Dear Ms. Clark:

RESPONSE TO GRANT AUDIT FINDINGS AND FINAL DETERMINATION TO QUESTIONED COSTS

Hacienda Park Improvements Grant No. 58E6-94-0176

The Los Angeles County Regional Park and Open Space District's (District) is in receipt of the Response to the Notice of Grant Audit Findings, dated February 25, 2015, from the City of La Habra Heights (Grantee). The audit of Grantee records for the above-mentioned grant project (Project), resulted in certain financial transactions, totaling **\$668,201** being questioned by the audit firm, Simpson & Simpson (Auditors) as detailed below:

Hacienda Park Improvements: Documentation that was claimed for proposition payment #'s 16-21, and maintenance and servicing payment #'s 2-4. The total grant amount was \$688,522.

The District has reviewed the Grantee's responses and determined the following:

- Documentation and/or justification was provided for payment #'s 16-21, and also for maintenance and servicing payment #'s 2-4.

As a result, the District has concluded that the Grantee has provided sufficient information to confirm the validity of the expenditures. Therefore, the District finds the Grantee in good standing for the Project, and no further action is required.

Ms. Clark
April 29, 2015
Page 2 of 2

For future reference, please ensure that the Proposition A Grant Project Agreement is followed and remains in compliance after the Project Completion Date, by maintaining invoices, purchase orders, canceled warrants, and other records that are supportable of the project costs claimed for at least five (5) years from the date the Grant is closed by written acknowledgement from the District and at least three (3) years from the date of any District audit or final resolution of any disputed audit exception.

Please contact Warren Ontiveros, at (213) 738-3005 or at wontiveros@parks.lacounty.gov if you have any questions.

Sincerely,



Jane I. Beesley
District Administrator

JB:WO:mt

Enclosures

c: Teresa Villegas, First District Deputy
Karly Katona, Second District Deputy
Maria Chong-Castillo, Third District Deputy
Erin Stibal, Fourth District Deputy
Sussy Nemer, Fifth District Deputy



LOS ANGELES COUNTY REGIONAL PARK AND OPEN SPACE DISTRICT

April 29, 2015

Mr. Michael A. Shull, General Manager
Department of Recreation and Parks
City of Los Angeles
221 North Figueroa Street, 2nd Floor
Los Angeles, CA 90012

Dear Mr. Shull:

RESPONSE TO GRANT AUDIT FINDINGS AND FINAL DETERMINATION OF QUESTIONED COSTS

**Urban Impact Parks
Downey Recreation Center, Child Care Center
Grant No. 58F6-98-0726**

The Los Angeles County Regional Park and Open Space District's (District) is in receipt of the Response to the Notice of Grant Audit Findings, dated February 26, 2015, from the City of Los Angeles Department of Recreation and Parks (Grantee). The audit of Grantee records for the above-mentioned grant project (Project), resulted in certain financial transactions, totaling **\$22,490** being questioned by the audit firm, Simpson & Simpson (Auditors) as detailed below:

Urban Impact Parks – Downey Recreation Center, Child Care Center: Time and Attendance Records for City employee payroll expenditures. The total grant amount was \$300,000.

The District has reviewed the Grantee's responses and determined the following:

- The Grantee failed to provide the Auditors and the District with time and attendance records for City employee payroll expenditures.

As a result, the District has concluded that although a copy of the Time Attendance Records were not provided, a copy of their certified record retention timeframe for Time and Attendance Records for employees and Policy was. Additionally, the Grantee has

Mr. Shull
April 29, 2015
Page 2 of 2

also indicated that in 2007, they have implemented an electronic timekeeping system that will allow paper timesheets to be generated beyond the current required retention period. Therefore, the District finds the Grantee in good standing for the Project, and no further action is required.

For future reference, please ensure that the Proposition A Grant Project Agreement is followed and remains in compliance after the Project Completion Date, by maintaining invoices, purchase orders, canceled warrants, and other records that are supportable of the project costs claimed for at least five (5) years from the date the Grant is closed by written acknowledgement from the District and at least three (3) years from the date of the any District audit or final resolution of any disputed audit exception.

Please contact Warren Ontiveros, at (213) 738-3005 or at wontiveros@parks.lacounty.gov if you have any questions.

Sincerely,



Jane I. Beesley
District Administrator

JB:WO:mt

Enclosures

c: Teresa Villegas, First District Deputy
Karly Katona, Second District Deputy
Maria Chong-Castillo, Third District Deputy
Erin Stibal, Fourth District Deputy
Sussy Nemer, Fifth District Deputy



LOS ANGELES COUNTY REGIONAL PARK AND OPEN SPACE DISTRICT

April 29, 2015

Mr. Robert Maycumber, Administrative Deputy
Department of Parks and Recreation
County of Los Angeles
433 S Vermont Avenue
Los Angeles, CA 90020

Dear Mr. Maycumber:

RESPONSE TO GRANT AUDIT FINDINGS AND FINAL DETERMINATION OF QUESTIONED COSTS

**Athens & Keller Parks
Various Improvements
Grant No. 0330-99-0780**

The Los Angeles County Regional Park and Open Space District's (District) is in receipt of the Response to the Notice of Grant Audit Findings, dated February 26, 2015, and Response to Notice of Grant Audit Findings, dated April 22, 2015, from the County of Los Angeles Department of Parks and Recreation (Grantee). The audit of Grantee records for the above-mentioned grant project (Project) resulted in certain financial transactions, totaling **\$155,450** being questioned by the audit firm, Simpson & Simpson (Auditors) as detailed below:

Athens & Keller Parks – Various Improvements: Payment Request #'s 1-8, and Source for salaries and overhead rates. The total grant amount was \$750,000.

The District has reviewed the Grantee's responses and determined the following:

- Documentation and/or justification was provided for payment #'s 1-8, and source documentation for salaries and overhead rates were also provided.

Mr. Maycumber
April 29, 2015
Page 2 of 2

As a result, the District has concluded that the Grantee has provided sufficient information to confirm the validity of the expenditures. Therefore, the District finds the Grantee in good standing for the Project, and no further action is required.

For future reference, please ensure that the Proposition A Grant Project Agreement is followed and remains in compliance after the Project Completion Date, by maintaining invoices, purchase orders, canceled warrants, and other records that are supportable of the project costs claimed for at least five (5) years from the date the Grant is closed by written acknowledgement from the District and at least three (3) years from the date of any District audit or final resolution of any disputed audit exception.

Please contact Warren Ontiveros, at (213) 738-3005 or at wontiveros@parks.lacounty.gov if you have any questions.

Sincerely,



Jane I. Beesley
District Administrator

JB:WO:mt

Enclosures

- c: Russ Guiney, Department of Parks and Recreation
- John Wicker, Chief Deputy
- Teresa Villegas, First District Deputy
- Karly Katona, Second District Deputy
- Maria Chong-Castillo, Third District Deputy
- Erin Stibal, Fourth District Deputy
- Sussy Nemer, Fifth District Deputy



LOS ANGELES COUNTY REGIONAL PARK AND OPEN SPACE DISTRICT

April 29, 2015

Mr. Robert Maycumber, Administrative Deputy
Department of Parks and Recreation
County of Los Angeles
433 S Vermont Avenue
Los Angeles, CA 90020

Dear Mr. Maycumber:

RESPONSE TO GRANT AUDIT FINDINGS AND FINAL DETERMINATION OF QUESTIONED COSTS

**Various First District Parks
Mayberry, Sorensen, and Sunshine Parks
Grant No. 0320-00-1169**

The Los Angeles County Regional Park and Open Space District's (District) is in receipt of the Response to the Notice of Grant Audit Findings, dated February 26, 2015, and Response to Notice of Grant Audit Findings, dated April 22, 2015, from the County of Los Angeles Department of Parks and Recreation (Grantee). The audit of Grantee records for the above-mentioned grant project (Project), resulted in certain financial transactions, totaling **\$56,343** being questioned by the audit firm, Simpson & Simpson (Auditors) as detailed below:

Various First Districts Parks – Mayberry, Sorensen, and Sunshine Parks:
Payment Request #'s 8-21, and missing contract packet documents. The
total grant amount was \$850,000.

The District has reviewed the Grantee's responses and determined the following:

- Documentation and/or justification was provided for payment #'s 8-21.
- However, the Grantee failed to provide the Auditors and the District with a copy of the Contract Agreement for Design Services (payment request number #21).
- Noncompliance with insurance requirement

Mr. Maycumber
April 29, 2015
Page 2 of 2

As a result, the District has concluded that although a copy of the Contract Agreement was not provided, copies of the source documentation for payment #21 were; enough to confirm the validity of the expenditure. Therefore, the District finds the Grantee in good standing for the Project, and no further action is required.

For future reference, please ensure that the Proposition A Grant Project Agreement is followed and remains in compliance after the Project Completion Date, by maintaining invoices, purchase orders, canceled warrants, and other records that are supportable of the project costs claimed for at least five (5) years from the date the Grant is closed by written acknowledgement from the District and at least three (3) years from the date of any District audit or final resolution of any disputed audit exception.

Please contact Warren Ontiveros, at (213) 738-3005 or at wontiveros@parks.lacounty.gov if you have any questions.

Sincerely,



Jane I. Beesley
District Administrator

JB:WO:mt

Enclosures

c: Russ Guiney, Department of Parks and Recreation
John Wicker, Chief Deputy
Teresa Villegas, First District Deputy
Karly Katona, Second District Deputy
Maria Chong-Castillo, Third District Deputy
Erin Stibal, Fourth District Deputy
Sussy Nemer, Fifth District Deputy



LOS ANGELES COUNTY REGIONAL PARK AND OPEN SPACE DISTRICT

April 29, 2015

Mr. Adam Davis, Managing Director
County of Los Angeles
Arts Commission
500 West Temple Street, Room 374
Los Angeles, CA 90012

Dear Mr. Davis:

RESPONSE TO GRANT AUDIT FINDINGS AND FINAL DETERMINATION OF QUESTIONED COSTS

**John Anson Ford Theaters General Improvement II
Grant No. P273-03-1335**

The Los Angeles County Regional Park and Open Space District's (District) is in receipt of the Response to the Notice of Grant Audit Findings, dated February 26, 2015, from the County of Los Angeles Arts Commission (Grantee). The audit of Grantee records for the above-mentioned grant project (Project), resulted in certain financial transactions, totaling **\$51,945** being questioned by the audit firm, Simpson & Simpson (Auditors) as detailed below:

John Anson Ford Theaters General Improvement II: Invoices for eight payments. The total grant amount was \$54,080.

The District has reviewed the Grantee's responses and determined the following:

- Documentation and/or justification was provided for the eight payments in question.


As a result, the District has concluded that the Grantee has provided sufficient information to confirm the validity of the expenditures. Therefore, the District finds the Grantee in good standing for the Project, and no further action is required.

Mr. Davis
April 29, 2015
Page 2 of 2

For future reference, please ensure that the Proposition A Grant Project Agreement is followed and remains in compliance after the Project Completion Date, by maintaining invoices, purchase orders, canceled warrants, and other records that are supportable of the project costs claimed for at least five (5) years from the date the Grant is closed by written acknowledgement from the District and at least three (3) years from the date of any District audit or final resolution of any disputed audit exception.

Please contact Warren Ontiveros, at (213) 738-3005 or at wontiveros@parks.lacounty.gov if you have any questions.

Sincerely,



Jane I. Beesley
District Administrator

JB:WO:mt

Enclosures

c: Laura Zucker, Arts Commission
Heather Rigby, Arts Commission
Teresa Villegas, First District Deputy
Karly Katona, Second District Deputy
Maria Chong-Castillo, Third District Deputy
Erin Stibal, Fourth District Deputy
Sussy Nemer, Fifth District Deputy



LOS ANGELES COUNTY REGIONAL PARK AND OPEN SPACE DISTRICT

April 29, 2015

Ms. Debbie Sharpton, Co-Executive Director
Mountains Restoration Trust
3815 Old Topanga Canyon Road
Calabasas, CA 91302

Dear Ms. Sharpton:

**RESPONSE TO GRANT AUDIT FINDINGS AND FINAL
DETERMINATION OF QUESTIONED COSTS
\$1,343.45 DISALLOWANCE AMOUNT**

**Calabasas/Cold Creek Trail
Grant No. 58M1-10-2224**

The Los Angeles County Regional Park and Open Space District's (District) is in receipt of the Response to the Notice of Grant Audit Findings, dated February 17, 2015, from Mountains Restoration Trust (Grantee). The audit of Grantee records for the above-mentioned grant project (Project) resulted in certain financial transactions, totaling **\$7,553** being questioned by the audit firm, Simpson & Simpson (Auditors) as detailed below:

Calabasas/Cold Creek Trail: Timesheets of employee charged to the project, methodology used for the overhead rate, and supporting documents for the overhead costs calculation. The total grant amount was \$147,100.

The District has reviewed the Grantee's responses and determined the following:

- The spreadsheet, payroll journals, and revised charges were provided.

As a result, the District has approved the revisions and a total of \$1,343.45 is due in questioned costs and must be refunded to the District.

Ms. Sharpton
April 29, 2015
Page 2 of 2

Section I. Financial Records, #3 of the Agreement prescribes that "if said audit reveals expenditures that cannot be verified or that were paid in violation of the terms of this Agreement, the Propositions or the Procedural Guide, Applicant shall pay the District an amount equal to these expenditures within sixty (60) days after receiving written notification of the expenditures disallowed and the reason for the disallowance." Therefore, payment is due by no later than June 29, 2015. "Failure to repay the District in full for the amount of excepted expenditures, the District may offset an amount equal to the excepted expenditures from any monies that may be due to the Grantee under the terms and conditions of the Propositions."

Please contact Warren Ontiveros, at (213) 738-3005 or at wontiveros@parks.lacounty.gov if you have any questions.

Sincerely,


Jane I. Beesley
District Administrator

JB:WO:mt

Enclosures

c: Teresa Villegas, First District Deputy
Karly Katona, Second District Deputy
Maria Chong-Castillo, Third District Deputy
Erin Stibal, Fourth District Deputy
Sussy Nemer, Fifth District Deputy